

PROJECT NUMBER: 4022
PROJECT TITLE: International Product Development
PERIOD COVERED: September, 1988
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I. PROJECT TOLSTOY (ASIA/PACIFIC REGION)

- A. Objective: Develop an upscale Russian-style cigarette.
- B. Results: A prototype with 20% ventilation (12 mg. tar, 6.5 puffs) was submitted to Hong Kong management. An approximate machinery cost analysis indicated a cost of \$100K for converting each cigarette maker. Estimated lead time for conversion is 6 months. Production rate is estimated to be 1,000 cigts./min.
- C. Plans: Feedback from Hong Kong will guide further development.

II. PROJECT DRAGON (PEOPLES REPUBLIC OF CHINA)

- A. Objective: Develop a "blended" KS cigarette to be a non-PM trademark owned and manufactured by CNTC. Tar targets: 17-19 mg. (GCF-2 factory), and less than 15 mg. (ZCF factory).
- B. Results: A book summarizing blends, casings/flavors, and cigarette construction for the proposed prototypes at ZCF is being completed.
- C. Plans: The book will be sent to Hong Kong for translation, and sample quantities of the leaf grades and casings/flavors will be sent to ZCF.

III. MARLBORO IMPROVEMENT (AUSTRALIA)

- A. Objective: Modify the Australian Marlboro to bring it subjectively closer to the USA product.
- B. Results: Three blends were subjectively evaluated vs. USA cut filler. All cigarettes were made to Australian Marlboro cigarette specs. Two blends were recommended for trial production in Australia.
- C. Plans: It is anticipated that the two trials will be conducted in Australia, with possible consumer testing.

IV. PROJECT FAMOUS (WORLDWIDE)

- A. Objective: Optimize Chesterfield as a worldwide competitor to Camel.

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B. Results: A Richmond team visited Neuchatel during the week of 9/19/88. Based upon subjective evaluation of prototypes by the Project Famous team and by Panel A, the following recommendations were made:

- a) Launch Prototype 23P in Germany 11/21/88. This is the Famous Flavor B prototype at 14 mg. tar.
- b) Launch Prototype 2P in Belgium 11/21/88. This is the Famous Flavor B prototype at 16 mg. tar.
- c) Consumer test 23P and the Italian/French Chesterfield vs. Camel in Switzerland.
- d) Consumer test 2P and the Italian/French Chesterfield vs. the respective Camels in Holland and France.

C. Plans: Consumer test results from Switzerland, Holland, and France are expected by year's end.

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